

South Carolina Board of Economic Advisors

Statement of Estimated State Revenue Impact

Date: February 15, 2008

Bill Number: H.B. 4629

Author: Duncan

Committee Requesting Impact: House E&PW

Bill Summary

A bill to amend Chapter 3, Title 56, Code of Laws of South Carolina, 1976, relating to the registration and licensing of motor vehicles by adding Articles 101 and 102 so as to provide for the issuance of Silver Star and Bronze Star special license plates.

REVENUE IMPACT ^{1/}

This bill is expected to raise DMV earmarked funds by \$350 in FY 2008-09. Conversely, it would reduce funds earmarked to the SHF by \$260 and to the SIB by \$90 in FY 2008-09. It would have no impact on state General Fund revenue.

Explanation

This bill authorizes the DMV to issue two, special license plate series to honor those combat veterans who have been awarded the Silver Star or Bronze Star. An application must include proof that the vehicle owner is a recipient of the respective award. Standard, biennial registration fees apply as follows: \$20 - \$24 for an auto, based on age, and \$30 for a light truck.

In order to facilitate production, this bill adds language to exempt prerequisites under Section 56-3-8100 that requires a minimum of 400 prepaid applications or a \$4,000 deposit by a sponsoring organization or individual, an approved marketing plan, and other provisions. Since it normally takes nearly six months to complete design and production review for a new special license plate, even with full support from a sponsoring entity, these plates may not be available for purchase before calendar year 2009.

Based solely on receipt of prepaid applications, we expect no more than a combined total of 70 plates would be issued in FY 2008-09, with a distribution of 52 autos and 18 light-duty trucks. Although current language does not add a "special" fee, as in current practice we expect DMV to recoup its cost. Accordingly, multiplying 70 plates by an estimated cost differential (new vs. renewal) of +\$5 per plate would raise DMV earmarked funds by a total of \$350 in FY 2008-09. Respective revenue allocations to the State Highway Fund (SHF) within the Department of Transportation (DOT) for autos, and to the S. C. Transportation Infrastructure Bank (SIB) for light trucks, are net of DMV's costs as applicable. Each proration would, conversely, be reduced by \$5 per plate in FY 2008-09. Thus, funds earmarked to the SHF within DOT would be reduced by a total of \$260 (@ \$5 times 52 autos), and to the SIB by a total of \$90 (@ \$5 times 18 trucks) in FY 2008-09. Since the General Fund receives no revenue from standard, biennial registration fees, the bill would have no impact on state General Fund revenue.

/s/ William C. Gillespie

William C. Gillespie, Ph.D.
Chief Economist

Analyst: Di Biase

^{1/} This statement meets revenue impact requirements of Section 2-7-71 for a state impact by BEA, Section 2-7-76 for a local impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by Office of Economic Research (OER).